Illegal money transfer through internet banking

3488. SHRI R. K. ANAND: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that fraud cases of illegal money transfer through Internet banking have come to the notice of Government; and

(b) if so, what measures have been taken/are being taken to protect the interest of the account holders?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) RBI has informed that ICICI Bank Ltd. reported on 30th March, 2005 transfer of money amounting to Rs. 57,000/- from two accounts through internet banking service to a third party account from which it was later withdrawn through ATM. The concerned account holder has, however, claimed that he was not in receipt of his ATM Card and therefore was not the person who had withdrawn the money. The Bank has reported that there was no breach or failure of the security systems.

(b) RBI has issued detailed guidelines to banks in respect of their obligation of reporting of frauds to the law enforcement agencies, their controlling offices and RBI. The banks have also been advised to create systems, which will enable them to prevent frauds and detect them expeditiously when they occur. Every breach or failure of security systems and procedures and security violation (suspected or attempted) are to be reported by the banks to the RBI.

Rate of interest on EPF

3489. SHRI MANOJ BHATTACHARYA: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to enhance the rate of interest applicable to Employees' Provident Fund to 9.5 per cent;

(b) if so, whether necessary orders have been issued in this regard; and

(c) whether as a goodwill gesture to the senior citizens, the rate of interest in respect of the Senior Citizen Pension Bonds would also be increased to 9.5 per cent and if so, by when the orders are likely be issued to give comparable benefits to the pensioners?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The Central Board of Trustees of EPF (CBT) has recommended an interim rate of 8.5% for the year 2004-05. The rate of interest on Employees' Provident Fund (EPF) accumulations is determined by Government on the basis of the recommendations of CBT. CBT has hot recommended a final rate of interest for 2004-05 to the Government Orders determining the rate of interest on EPF accumulations have not been issued.

(c) No such proposal is under consideration.

Action against striking Bank Employees

3490. PROF. M. M. AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) the details regarding the strikes by the staff and officers of Nationalised Banks in the country during the last one year as a result of which public had to face great difficulties;

(b) the reasons for strikes by the staff and officers concerned banks;

(c) whether Government have taken any action against such bank employees; and

(d) if not the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The bank officers and staff had gone on strike four times during the last one year.

(b) The reasons for the strike by the staff and officers included, opposition of Supreme Court verdict on right to strike, the so called anti-labour policies of the Government the privatization move, early settlement of the wage revision, second option on pension, merger and acquisition of Public Sector Banks and Foreign Banks/Institutions/Investors taking over Indian Banks.

(c) and (d) In terms of the extant instructions, the principle of "No Work No Pay" is to be followed by the bank management for striking employees.

Facilities to Panchayate

†3491.SHRI JANESHWAR MIHSRA :Will Mimister of PANCHAYATE RAJbe pleased to state:

(a) whether Central Government is considering to provide facilities for enforcing the Panchayati Raj Act;

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†Ortginal notice of the question was received in Hindi.